SENATE HUMAN SERVICES COMMITTEE
Informational Hearing

November 13, 2025
1:30 pm, Room 2200

Hunger in California: Impacts of Federal Actions on CalFresh

BACKGROUND PAPER

INTRODUCTION

In 2025, the Budget Reconciliation Act (H.R. 1), also known as the One Big, Beautiful Bill of 2025, made several significant policy changes prioritized by the current federal administration, including changes to the Supplemental Nutrition Assistance Program (SNAP). The Congressional Budget Office estimates that the various policies in this bill will lead to a decrease in SNAP program participants, not because of improved conditions, but due to a loss of eligibility. Some of the policy changes undo recent modernizations implemented to reduce food insecurity, and others are unprecedented shifts in the way the program is administered. The policies will be implemented between October 2025 and 2030, but preparation for these changes must begin immediately. CalFresh, California's SNAP program, has become integral to the food insecurity system by providing food assistance that can be supplemented by other programs to help families. The changes set forth in H.R. 1 could impact that larger system of food assistance. Adding to the pressures on the food insecurity system is the shutdown of the federal government, which has delayed CalFresh payments for November 2025 and created weeks of stress, uncertainty, and ultimately, hunger. This informational hearing will discuss the impacts of both the federal shutdown and H.R. 1 on the CalFresh program and its beneficiaries.

BACKGROUND

Food Insecurity and Hunger

Food insecurity can lead to chronic health conditions such as diabetes, high blood pressure and heart disease. It can also have long term effects on children including delays in child development, hampered school performance, and increased likelihood of conditions like asthma or behavioral problems. A survey, from 2021 to 2023, showed the prevalence rate of food insecure or very food insecure California households was 11.4 percent. Of that, the rate of very food insecure California households was 4.1 percent.[1] According to Feeding America, this puts one in eight people in California at risk of facing hunger.

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[1]United States Department of Agriculture, Economic Research Service. 2025. Food Security in the U.S.- Key Statistics and Graphics. https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/key-statistics-graphics#map

Food insecurity differs from hunger, though the former can include the latter. Food insecurity is a household-level economic and social condition of limited or uncertain access to adequate food; but hunger is the individual level physiological condition that may result from food insecurity.[2] Hunger can lead to physical and mental health disorders as well, especially in children. One study found that hunger is a significant predictor of future chronic illness for school age children, even when controlling for other factors like housing and low birth weight. Severe hunger in young children was also highly correlated with behavioral problems and episodes of depression and anxiety. Mothers of young children with severe hunger were more likely to be diagnosed with posttraumatic stress disorder.[3] Any health conditions resulting from food insecurity can be an added cost burden to families as well.

Since many people who are food insecure are also in poverty or dealing with economic challenges, food insecurity and poverty go hand in hand. According to the California Health Interview Survey, in 2023, 45% of California adults with incomes under 200% of the federal poverty level were food insecure. Food insecurity disproportionally affects certain communities. According to the study, food insecurity is "higher for families with children (25.8 percent), Black households (28.9 percent) and Latinx households (29.7 percent)."[4] In addition, the cost of food has risen for many reasons including severe weather, viruses affecting livestock, and geo-political issues and it is not clear when costs will start going down. For beneficiaries of state aid and customers of food banks, food pantries, and other emergency food sources, these costs have an outsized impact and deepen their levels of food insecurity.

CalFresh

There are a number of programs operated by the state to address food insecurity and hunger, but in California CalFresh is the most impactful. CalFresh is California's version of the federal SNAP, an entitlement program that provides eligible households with federally funded monthly benefits to purchase food. Currently, CalFresh food benefits are 100 percent federally funded. CalFresh administration costs are funded with 50 percent federal funds, 35 percent General Fund, and 15 percent county funds, except for state-mandated program changes. The policy changes in H.R. 1 will change this cost sharing distribution for both benefits and administration of those benefits. CalFresh food benefits are issued through an Electronic Benefit Transfer (EBT) card which cardholders can use at point-of-sale terminals authorized by the United States Department of Agriculture (USDA), Food and Nutrition Service. EBT cards are loaded with benefits at the beginning of each month after authorizing actions by the California Department of Social Services (CDSS) and payment by the federal government. In this way, grocers and other retailers are paid directly by the federal government for the dollar value of purchases made with CalFresh food benefits. Monthly benefits per household vary based on household size, income, and deductible living expenses—with larger households generally receiving more benefits than smaller households and relatively higher-income households generally receiving fewer benefits than

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[2] ibid

[3] Linda Weinreb, Cheryl Wehler, Jennifer Perloff, Richard Scott, David Hosmer, Linda Sagor, Craig Gundersen; Hunger: Its Impact on Children's Health and Mental Health. Pediatrics October 2002; 110 (4): e41. 10.1542/peds.110.4.e41

[4] Senate Budget Sub 3, April 27, 2023

lower-income households. The average benefit in 2024 was $279 a month for all households, $496 for households with children, and $166 for households with older adults.

CalFresh is critical to California's anti-hunger efforts. According to CDSS, approximately 5.5 million Californians are on CalFresh.[5] In their study on income instability, PPIC found that CalFresh helped families get through times of economic instability by providing a resource stability that can be very impactful for families when their income first becomes unstable versus when they access CalFresh after a time of longer unemployment and used up other resources.[6]

Recent efforts to increase CalFresh access and enrollment among specific subgroups include a 2019 law that allows people that receive income through Social Security Insurance (SSI) to enroll in CalFresh. This was one of the biggest expansions to CalFresh and happened right before another large boost in enrollment due to the COVID-19 pandemic. There have also been several laws passed to strengthen outreach to college students and increase data transparency about college student enrollment.

FEDERAL ACTIONS AND POLICY CHANGES

2025 Government Shutdown

Starting on October 1, 2025, after a failure to pass a continuing resolution to fund the government's operations, the federal government entered a shutdown. This meant many federal employees were furloughed and only essential government operations were allowed to continue. On October 10, 2025, the USDA sent a memo to states saying that there is not enough money available to fund CalFresh benefits in November 2025. The USDA also ordered states not to take any action to prepare EBT cards. Specifically, the California Statewide Automated Welfare System (CalSAWS) could not transmit any CalFresh beneficiary names or benefit amounts to the State's EBT contractor, Fidelity Information Services, as it usually would. The USDA did not confirm funding for administrative activities, but CDSS did confirm that funding was available to counties through December 2025.

On November 1, 2025, the USDA did not fund SNAP benefits for the first time in the program's history, despite the existence of a contingency fund created to provide for beneficiaries in circumstances like a federal shutdown. Several lawsuits were filed against the USDA including one co-led by California Attorney General Rob Bonta. A lawsuit brought by a coalition of cities and nonprofits, Rhode Island State Council of Churches v. Rollins, resulted in a ruling by the U.S. District Court for the District of Rhode Island that requires the USDA to fund SNAP benefits. The same day a second judge, U.S. District Judge Indira Talwani in Boston, also ruled that they must pay benefits and could use customs revenues to fill in any gap. Subsequently, the USDA stated they would release partial benefit payments. That led to the U.S. District Court in Rhode Island ordering the USDA to pay the full benefit amount which the Trump administration appealed. The USDA then ordered states to stop sending benefits after a 48-hour administrative stay on payments was granted by the Supreme Court. As of November 12, the U.S. Court of Appeals for the 1st

[5] Danielson, Caroline, and Tess Thorman. 2022. The Role of CalFresh in Stabilizing Family Incomes. Public Policy Institute of California. https://www.ppic.org/publication/the-role-of-calfresh-in-stabilizing-family-incomes/
[6] ibid

Circuit ruled that the USDA can be forced to pay the full SNAP benefits for November, but the temporary stay was extended by the Supreme Court to November 13th. California was one of a handful of states that paid beneficiaries before the administrative stay was ordered. Despite some relief being provided, the delay created by the shutdown is adding to the stress and complications CalFresh beneficiaries are currently facing due the uncertainty created by H.R. 1.

H.R. 1

The Budget Reconciliation Act (H.R. 1) was signed into law on July 4, 2025. This law will increase the deficit by trillions[7] and seeks to partially offset costs by, among other things, limiting eligibility and federal funding for food assistance programs. Over the next ten years, H.R. 1 will make almost $200 billion in cuts to SNAP. In California, that amounts to a $1.7 to $3.7 billion cut annually. These cuts put thousands at risk of losing their CalFresh benefits. CDSS estimates up to 395,000 Californians could lose their food benefits. The cuts to the program take many forms, with some of the major changes discussed below.

Re-Evaluation of the Thrifty Food Plan. Since 1975, the USDA has produced food plans that illustrate how a family can eat healthy, well-balanced meals within different cost brackets. The food plans are based on two components:

- Market baskets: defining weekly quantities of foods and beverages in their purchasable forms that, together, make up a healthy, practical diet for various age-sex groups; and

- Cost levels: defining the dollar value of each market basket given average food prices.[8]

The cost levels are, from lowest to highest: Thrifty, Low-Cost, Moderate-Cost, and Liberal. The food plan at the Thrifty cost level is used to determine the maximum levels of a SNAP benefit. This is done by determining the cost of meals and snacks for a family of four made up of a man and woman 20 through 50 years of age, a child 6 through 8 years of age, and a child 9 through 11 years of age in the month of June each year. That amount is scaled for families of various sizes to determine the maximum allotment allowed each year for 48 states. Special maximum allotments are calculated for Alaska, Hawaii, Guam and the Virgin Islands due to higher food costs. The USDA last updated the Thrifty food levels in 2021 and in 2023 for Alaska and Hawaii.

H.R. 1 would prevent the USDA from updating the cost of the Thrifty Food Plan until October 1, 2027, outside of annual cost-of-living adjustments. Until 2021, the food plans were only adjusted for inflation. Under legislation passed in 2018, the USDA began to reevaluate the Thrifty Food Plan every five years considering current food prices, consumption patterns, dietary guidance, and other cost pressures on families. This increased the maximum allotment and would continue increasing the allotment every five years to align the plan with the way families current buy and make food. Now H.R. 1 caps increases to the consumer price index for urban consumers and requires all re-evaluations from 2027 moving forward to be cost neutral and only take inflation

[7] Congressional Budget Office. (2025, June 17). H.R. 1, One Big Beautiful Bill Act (Dynamic Estimate). Congressional Budget Office. https://www.cbo.gov/publication/61486
[8] U.S. Department of Agriculture, Food & Nutrition Service, Center for Nutrition Policy and Promotion. (2025, July 31). *USDA Food Plans*. https://www.fns.usda.gov/cnpp/usda-food-plan

into account. According to the Congressional Budget Office, they estimate "that beginning in 2027, the average monthly benefit will be smaller than it would have been in the CBO's January 2025 baseline projections; by 2034 that benefit will be $213 compared with $227 in the baseline projection for that year."[9]

Able-Bodied Adults without Dependents (ABAWD). Since the 1996 Federal Welfare Reform Act, someone receiving CalFresh who is determined to be an Able-Bodied Adult Without Dependents, or ABAWD, is only allowed three months of CalFresh within a 36-month period and are subject to work requirements unless they meet an exception. Before H.R. 1, a person who was 18 to 54 years old, able to work, and does not have any dependents but otherwise fulfills CalFresh income requirements is considered ABAWD. California has a statewide ABAWD waiver in place allowing more exception flexibility and more ABAWDs to receive CalFresh benefits longer than three months without work requirements. The waiver expired on October 31, 2025.

Under H.R. 1, the exceptions will decrease, and the number of people required to work to receive CalFresh benefits will increase. The work requirements will increase in most cases to include those 55-64. Work requirements will also apply to parents and caretakers with children 14 and older, previously those with children under 18 were excluded. Additionally, exceptions for veterans, people experiencing homelessness, and former foster youth are eliminated. States can apply for new waivers to pause these rules, but only in areas with 10% or higher unemployment as described in H.R. 1. The new law does add a new exception for indigenous peoples if the person falls under one of the federal definitions for "Indian" "Urban Indian" or "California Indian".

According to the Congressional Budget Office, the new ABAWD rules may cause a significant reduction of participation among the affected groups nationally. "[These] provisions will reduce participation in SNAP by roughly 2.4 million people in an average month over the 2025-2034 period. Of those people, about 800,000 will be able-bodied adults through age 64 who do not live with dependent children. Another 300,000 will be able-bodied adults ages 18 to 64 who live with children who are age 14 or older. And roughly 1 million will be able-bodied adults ages 18 to 54 (or 18 to 49, starting in 2031) who do not live with dependents but who, in CBO's January 2025 baseline projections (which preceded the law's enactment), would have received a waiver from the work requirements."[10]

Standard Utility Allowance and the California State Utility Assistance Subsidy. As discussed above, a family's CalFresh eligibility and benefit level depend on multiple factors including certain household expenses. One of those expenses is utility bills. Federal law allows states to use Standard Utility Allowances to calculate a person's utility expense instead of relying on each household to report their expenses and use that amount to qualify them for more food assistance. It allows beneficiaries to receive more benefits than if relying on income eligibility alone. H.R. 1 reverses a recent rule that allows internet expenses to be included in utility expenses. It also changes the way states administer the Low-Income Home Energy Assistance Program. In California, the

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[9] Congressional Budget Office. (2025, August 11). *Estimated effects of Public Law 119-21 on participation and benefits under the Supplemental Nutrition Assistance Program* (Report No. 61367). https://www.cbo.gov/system/files/2025-08/61367-SNAP.pdf

[10] ibid

program is called the California State Utility Assistance Subsidy which provides energy assistance benefits to eligible CalFresh households that allows them to claim the Standard Utility Allowance. Before, households that did not have heating and cooling costs separate from their housing costs and did not qualify for the Standard Utility Allowance could receive a $20.01 subsidy that allowed them to qualify for it. H.R. 1 changes the Low-Income Home Energy Assistance Program to allow only households with a member over age 60 or with a disability to use the subsidy in that way. According to CDSS this could cause some CalFresh recipients to have benefits decrease or even lose eligibility for benefits.[11]

Payment Error Rate and State Matching Funds. Currently CalFresh benefits are fully funded by the federal government and administrative costs are divided between federal, state and local governments. H.R. 1 changes the way those costs are shared for the first time and requires states to pay a portion of the benefits based on an amount determined by the state's payment error rate. The payment error rate measures the accuracy of the state's eligibility determinations and benefit payments. Error rates do not indicate rates of fraud, but rather overpayment and underpayment of benefits. Table 1 shows how benefit cost sharing amounts will be determined. In 2024, California's error rate was 10.98%[12] The new cost sharing policy is scheduled to begin in 2027 but another provision allows states that have a payment error rates above 20 percent if multiplied by 1.5, in 2025 or 2026, to not pay benefit cost sharing until 2029 or 2030.[13] The CBO estimates that the policy could cause states to modify benefits or eligibility or end the SNAP program. It also estimates that during an average month between 2028 and 2034, 300,000 people will have SNAP benefits decreased or lost. It will also impact some child nutrition programs resulting in a reduction in benefits for 96,000 children.

Table 1

Payment Error Rate (PER)	Cost Share	Annual Cost to California[14]
>6%	0%	$0
6% – 8%	5%	$700 million
8% – 10%	10%	$1.4 Billion
> 10%	15%	$2.1 Billion

[11] California Department of Social Services. (2025, October 2). *H.R. 1 (One Big Beautiful Bill Act) & CalFresh: Frequently asked questions*. https://www.cdss.ca.gov/benefits-services/food-nutrition-services/calfresh/frequently-asked-questions
[12] California Association of Food Banks. (2025, November 6). *CalFresh changes in H.R. 1*. https://www.cafoodbanks.org/what-we-do/policy/calfresh-changes-hr1/
[13] Congressional Budget Office. (2025, August 11). *Estimated effects of Public Law 119-21 on participation and benefits under the Supplemental Nutrition Assistance Program* (Report No. 61367).
[14] California Association of Food Banks. (2025, November 6). CalFresh changes in H.R. 1. https://www.cafoodbanks.org/what-we-do/policy/calfresh-changes-hr1/

H.R. 1 also changes the way the administrative and outreach activities of CalFresh are funded. Currently, CalFresh administrative costs are split evenly between the federal and state government. Under H.R. 1, states are required to pay 75% of the costs (which it will ultimately share with counties as it does now) and the federal government will only cover 25% of the cost. CDSS estimates an annual administrative cost increase of $685 million.

SNAP Nutrition Education and Obesity Prevention Grant Program. The Nutrition Education and Obesity Prevention Grant Program (SNAP-ED) was also eliminated in H.R 1 and requires states to return all unspent funds from the program. In California, the program funded CalFresh Healthy Living which funded nutrition classes, helped fund Market Match at farmers markets, hosted physical activity classes and provided meals for seniors, and other initiatives that provided free nutrition guidance to low-income families.

Non-Citizen CalFresh Eligibility. H.R. 1 will end access to CalFresh for many immigrants with lawful status. The changes will limit eligibility for CalFresh to lawful permanent residents, Cuban Haitian entrants, and residents from Compact of Free Association nations. Also, there will be lawfully present immigrants who were formerly eligible for CalFresh that are no longer eligible, effective immediately. These groups include:

- Refugees, asylees, and people granted withholding of removal (based on fear of prosecution)
- Trafficking survivors
- Survivors of domestic violence who have filed a self-petition under Violence Against Women Act
- Persons granted humanitarian parole for a period of at least one year.

STATE LEGISLATIVE ACTIONS

Policy and Budget Actions

At the end of the 2025 legislative session, several budget and policy actions were taken to begin preparing for H.R. 1 changes and mitigate some of the potential harms. These include:

- Allowing CDSS to implement the requirement of H.R. 1 through all-county letters when necessary.
- Pausing certain changes and reports planned for CalFresh like the pre-release program.
- Appropriating $42 million to address the state's high payment error rate including data and technology enhancements and client communication and education.
- Appropriating $9.1 million to support the CalSAWS and BenefitsCal automation changes necessary to implement H.R. 1.
- Making $30 million available to the state to implement H.R. 1 policies and $2.5 million for CDSS to for operations and hiring.
- Appropriating $40 million for counties to make administrative changes to implement the new requirements of the ABAWD policy.

- Appropriating an additional $20 million to the CalFood program to support food banks. In October the Governor allocated another $80 million to mitigate impacts of the government shutdown.

PREPARING FOR WHAT'S AHEAD

As California looks forward to 2026 and beyond, the state administration, counties, the Legislature, and nonprofit organizations are working to understand what the ultimate impact of these combined policies will be and how to mitigate the potential fallout for the millions of CalFresh beneficiaries in this state. CalFresh is part of an unofficial network of programs that families rely on for food. The network includes free and reduced school lunch programs, the Women, Infant and Children program, the emergency food system, and private programs operated by nonprofit associations like Meals on Wheels. Previously, California was able to pursue innovative ways to expand eligibility and access to more residents. Similar efforts may be necessary to give as many disadvantaged individuals and families access to CalFresh under the H.R. 1 rules.